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Estate-Planning Tips for Baby Boomers

As the members of the baby boomer generation make the transition from their working years to retirement, estate planning becomes more vital to their long-term financial wellness. For a variety of reasons, many boomers have put off this essential task, which increases the severity and variety of risks their family members may face as a result. We highly recommend the following estate-planning tips:

1. Know what your children expect — and what you plan to give them. By and large, boomers' parents were conservative savers. They came of age in the Great Depression, and that formative experience often led them to be cautious with their money. Many of them accumulated far more than they ever spent, and they passed that wealth on to their boomer children. But many baby boomers aren't taking the same approach to money. For one, the world has changed. Even boomers who've saved a lot may end up spending much of what they've accumulated, since retirements are likely to be longer and healthcare costs expensive. But there's also an attitude difference. Active boomers may be planning on spending much of their hard-earned money on themselves. They believe they've done a lot for their children already and don't feel the need to leave substantial assets to them. If you plan on spending down most of your assets, you may want your children to know. It's one thing to not leave money to the next generation, but if they are blindsided by your decisions after your death, they may be completely unprepared financially and emotionally.

2. Have a plan for the end of your life. Many, if not most, boomers are still leading busy lifestyles, and they plan to keep doing so for some time. Boomers who value staying fit and healthy may not really be thinking about what will happen to them when the inevitabilities of aging finally do catch up. But while taking steps to live a healthy lifestyle is important to enjoying a great retirement, boomers shouldn't stick their heads in the sand and assume they'll be healthy forever. Sickness and disability can happen, and it will be

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December Events

Maximizing Your Social Security and Pension Benefits
Monday, Dec 4, 6:00 – 8:30 p.m. | Drury Inn & Suites, Louisville | Dinner Provided; Catered by Ladyfingers
Monday, Dec 7, 6:00 – 8:30 p.m. | Clifty Falls Restaurant, Clifty Falls State Park | Dinner Provided
Monday, Dec 11, 6:00 – 8:00 p.m. | Two Rivers Restaurant, General Butler State Park | Dinner Provided

For more event information or to RSVP, call our office at 502-690-3434.
You can also go to **www.InvestmentAnswers.net** and click on "EVENT RSVP."

Estate-Planning Tips

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easier for you and your family to manage if you have a plan. Not only should you think about long-term care and how you'll pay for it, you should also ensure you have end-of-life planning documents in place, like a healthcare power of attorney and living will and that they can be located.

3. Update your estate plan. Many boomers have estate plans they created decades ago. The primary goal of those estate plans may have been to ensure that their children and surviving spouse were protected in the event of unexpected death. But as you age, your estate-planning needs evolve. If your children are independent adults, providing for them is no longer as critical. Plus, if it's been two or three decades since you created your will, your life has likely changed in other ways too. You may have grandchildren who you want to receive part of your estate or new property that should be incorporated into your will. Or your family composition might have changed — you may have been divorced or widowed, for example. You may even have received a health diagnosis that is affecting your estate planning goals. For all these reasons and more, boomers need to sit down and review their estate plans to make sure they are properly conveying all of their wishes as they exist today, looking toward their future.

4. Decide if and how you want to leave a legacy. Boomers often want to find a way to leave a lasting impact on the world and support causes and organizations closest to their hearts. If you count yourself among those for whom leaving a legacy is important, now is the time to start thinking seriously about how you want to turn those legacy dreams into reality. If your goals are ambitious — like starting a foundation or a charity or endowing a scholarship — you should start planning now. The more lofty your goals, the more important it is that you take clear, concrete steps to turn your dreams into reality. After all, you won't be able to do this after you are gone.

Not sure how to put these estate-planning tips into action? Please call if you'd like to discuss this topic in more detail. We're here to help.

4 Reasons to Encourage Part-Time Jobs

Don't feel guilty about your children working while attending school or feel that a part-time job will interfere with their learning experience.

It boosts accountability — Encouraging your children to work part-time as soon as possible and setting a portion of their earnings away for their future education can give them a much better appreciation for their college, trade school, or professional development. Nonworking students can struggle to understand just how expensive their tuition and living expenses are and the sacrifices involved in paying those costs.

It can cut down on costs — Even the smallest contributions can quickly accumulate. Whether they contribute $50 or $500 a month, it can be money they won't owe after graduation or money you won't have to spend that you can put toward your retirement or investments to help sustain your financial future.

It teaches life skills — Part-time jobs provide teenagers and young adults with a different set of skills than they'll derive in class. Because they're interacting more with adults in a real-world setting, they'll develop the vital communication and problem-solving skills that they'll need in their post-college career. Working even a few hours a week while attending school allows them to master a work/life balance.

It encourages networking — There's a well-known saying that success is closely linked with who you know. Sure, they'll make friends in the dorm, but a part-time job encourages them to connect with peers on a different level that could lead to valuable opportunities in the future. A job allows them to further develop their individual talents and strengths.

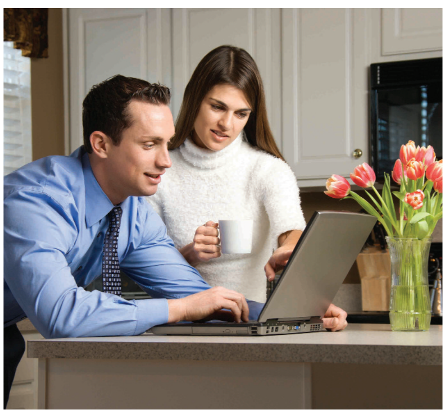
Factors to Consider When Reviewing Your Life Insurance Policy

No matter how well you set up your life insurance policy when you first got it, your needs for life insurance coverage may have changed over time. This can happen as you age, your family develops, and as your estate evolves. As life is marked by its many changes, it's not unusual for these life changes to render your life insurance policy "in need of review."

Compare your existing needs with the following policy details every few years:

Amount of Coverage. If your income is greater now than when you opened your policy, if you've had more children, if your spouse's income has decreased, if you've accumulated debts or liabilities, if you have future liabilities (such as college tuition), if you have a family farm, or if your lifestyle expectations have increased, you need to consider the benefits of increasing your coverage.

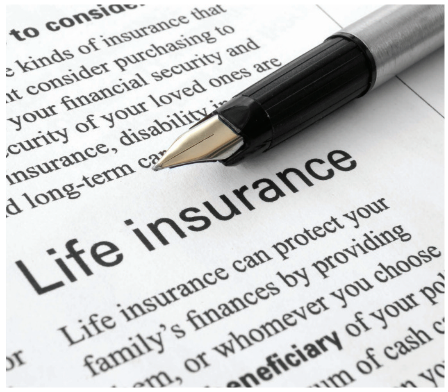
If your intention is to cover end-of-life expenses to replace your lost income upon death or your ability to pay future debts or liabilities, your policy coverage needs to reflect your current and projected income replacement needs. You may need to increase your coverage if you're using permanent insurance for estate-planning purposes, your potential estate has grown in value, whenever estate tax rates rise, or if the excluded amount is decreased by changes in the estate tax code.



Type of Policy. Term life policies are common for young family breadwinners, since premiums can be considerably less for the same amount of coverage as a permanent, cash-value life policy. There are different benefits for permanent policies that increase savings inside of the policy's value while providing a source for loans. Converting from a term to cash-value life policy can make good financial-planning sense as your income and assets grow.

Policy Ownership. Most life insurance policies are owned by the person they insure. There are a number of advantages to this, including the right to name and change beneficiaries, increase or decrease coverage, and cancel or convert the policy to a different type. But when it comes to estate taxes, there can be a disadvantage due to the three-year look-back on the policy. If the ownership of the policy changes, perhaps by gifting it to a child or life insurance trust, and you die within three years of the ownership change, the death benefit will get pulled back into your gross estate. If your estate is close to the exclusion amount ($5.49 million for 2017, with annual increases indexed for inflation), it could potentially increase the federal taxes the estate is obligated to pay.

It may make sense for your policy to be owned initially by your spouse, heirs, or a life insurance trust. This keeps the proceeds out of your estate and lowers its exposure to estate taxes. This usually means that you give up the rights to make all decisions regarding the policy, unless you are the trustee of the life insurance trust.



Beneficiaries. People die, couples divorce, and families grow larger. Your attitudes toward the people you once named as beneficiaries may change — their needs for support may also change. Reviewing your designated beneficiaries — both primary and contingent — is an important part of staying aware and confident in the choices you have made. When family members need to be added or removed from policies, we recommend contacting your agent or insurance company immediately.

Improvements in your health. If your health has improved, you've adopted a healthier lifestyle, stopped smoking, become more fit, lost considerable weight — you may qualify for a lower premium either from your current carrier or another.

Leveraging the incredible but complicated benefits of life insurance for you and your loved ones is most effectively accomplished when you review them every few years and discuss your needs with your qualified financial planner. Ensuring policies meet your existing needs and consolidating policies can often provide considerable value. We're here to help. ❍❍❍

Pork Fried Rice

INGREDIENTS:

2 tbsp. vegetable oil, divided
3 large eggs, lightly beaten
1/2 onion, chopped
1 carrot, peeled and cut into 1/4" pieces
1/2 lb. ground pork
kosher salt
Freshly ground black pepper
1 tbsp. grated ginger
2 cloves garlic, minced
1 c. frozen peas
4 c. cooked white rice
2 tbsp. low-sodium soy sauce
1 tbsp. hoisin sauce
3 green onions, thinly sliced
1 tsp. sesame oil

In a large skillet over medium heat, heat 1 tablespoon vegetable oil. Add eggs and let sit for a few seconds before lightly scrambling and folding the egg mixture over itself. Remove from skillet and set aside.

In the same skillet, heat remaining tablespoon oil then add onion and carrot. Cook, stirring occasionally, until the vegetables are tender.

Add the ground pork to the skillet and season with salt and pepper, then cook until the pork is no longer pink and starting to caramelize. Stir in the ginger, garlic, and peas and cook until fragrant, about 1 minute.

Add the rice, then stir in the soy sauce, hoisin, green onions, and sesame oil. Toss to combine and serve immediately.

Investment Answers News

While we have seen many of you over the last year, you may not realize how much has been happening behind the scenes! Our team in the office is usually between two to four team members; but we have quite a large support team behind our small office, and we couldn't ask for more incredible people in every department that make up Investment Answers. We have writers, researchers, compliance, IT, infrastructure, service, marketing, development, accounting, coaches, lobbyists, educators, and mentors. We appreciate each and every one of them for their support and resources, as they allow us to be focused on our clients and their families. Thanks for all of your hard work, team!

Speaking of team, we've added a new team member to the Client Relations Desk, Angela Ellis. Many of you may have met her at our 10-Year Anniversary Finale Celebration recently. Angela has double Bachelor's degrees in Psychology and Political Science from the University of Louisville, but she is a UK fan at heart! She has a great family, including her husband, Nick, their two children, and their extended family. We look forward to you all getting to know Angela.

3 Mistakes When Saving

Here are some of the biggest mistakes people make when trying to save money.

1. They stop spending — If you think stopping spending is the best way to save, you're only partially correct. Limit your spending so you can reasonably maintain it.

2. They buy cheap — Buying the cheaper brand of certain items may seem like a way to save some money, but it's almost always a bad idea. Over time, you'll eventually have to replace the item after it either breaks or starts functioning improperly, which is why it's smarter to buy quality items the first time — even if they cost more.

3. They make massive life changes — Just like dieting, learning how to save money isn't something that happens overnight. This is why crash diets generally tend to end in failure. The same can be said for those who change their spending habits too drastically. Instead, work toward gradually learning how to save money without disrupting your overall lifestyle.

Looking to create a budget for your lifestyle? Read our website blog, *Budgeting: Plan Your Life, Don't Stop Living It.* ❍❍❍